

2005 DRAFTING REQUEST

Bill

Received: **08/26/2004**

Received By: **dkennedy**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 7-9546**

By/Representing: **Jablonsky**

This file may be shown to any legislator: **NO**

Drafter: **dkennedy**

May Contact: **DHFS**

Addl. Drafters:

Subject: **Mental Health - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Jablonsky, BB0026 -

Topic:

Eliminate mental health institute deficit reduction and reporting

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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LRB-0042

10/11/2004 01:05:36 PM

Page 2

FE Sent For:

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/?	dkennedy	10/11 jld	10/11	10/11			State

FE Sent For:

<END>

Emery, Lynn

From: Miller, Steve
Sent: Monday, August 23, 2004 9:00 AM
To: Emery, Lynn
Subject: FW: 2005-2007 Statutory Language Budget Requests

-----Original Message-----

From: Johnston, James
Sent: Friday, August 20, 2004 7:47 PM
To: Miller, Steve
Cc: Caucutt, Dan; Blaine, Robert; Jablonsky, Sue; Milioto, Steve; Rhodes, Dennis
Subject: FW: 2005-2007 Statutory Language Budget Requests

Steve,
Attached are the first wave of DHFS initiated biennial budget requests for possible inclusion in the Governor's budget.
Jim

-----Original Message-----

From: Bove, Fredi-Ellen
Sent: Tuesday, August 17, 2004 4:32 PM
To: Johnston, James
Cc: Ampe, Linda; Bove, Fredi-Ellen; Cunningham, Curtis; Daggett, Cynthia; Dunkel, Donna; Esser,



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DCFS Subsidized
Guardianship.d...



Definition of Income
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Approp Language
for Aids to Lo...



STAT.doc



il elim phys prescrip
for MH s...



sl delete req. for
2nd opinion...



appn structure
changes.doc



ISP Technical
Change.doc



Systems
Change.doc



MHI deficit
reporting.doc

h, Andrew; France, Jennifer; Fredrick, Janet; Groth, Nicole; Hadidian, Ellen; Megna, Richard;
Miller, Anne; Munson, Kenneth; Resheske, Mark; Warner, Erin; Welsh, Diane
Subject: 2005-2007 Statutory Language Budget Requests

Attached is the first set of DHFS statutory language requests for the 2005-07 biennial budget. Based on our discussions, my understanding is that you will follow the process used in past biennial budgets and that you will transmit this package to the Legislative reference Bureau with a request that LRB prepare drafts for these items. DHFS will be submitting additional package(s) of 05-07 statutory language requests in the future. Thank you.



**Department of Health and Family Services
Office of Strategic Finance**

PO Box 7850
Madison WI 53707-7850
Phone (608) 266-3816
Fax (608) 267-0358

Date: August 17, 2004

To: Jim Johnston, Chief
Human Resources Budget Team
Department of Administration

From: Fredi Bove, Chief
Budget Section

Subject: 2005-2007 Statutory Language Budget Requests

Attached is the first set of DHFS statutory language requests for the 2005-07 biennial budget. Based on our discussions, my understanding is that you will follow the process used in past biennial budgets and that you will transmit this package to the Legislative reference Bureau with a request that LRB prepare drafts for these items. DHFS will be submitting additional package(s) of 05-07 statutory language requests in the future. Thank you.

Cc: OSF Budget Staff
Kenneth Munson
Diane Welsh

DHFS Statutory Language Requests

Submitted: August 17, 2004

Division of Public Health

- RLR 1. Wisconsin Well-Woman Program —
- RLR 2. Emergency Medical Services (EMS) Funding Assistance Change
- DAK 3. Repeal s. 255.08 Tanning Facilities - 0037
- DAK 4. HIV/AIDS Program Technical Correction - 0038

Division of Children and Family Services

- GMM 5. Subsidized Guardianship Program – Title IV-E Waiver
- PJK 6. Definition of Income Maintenance
- DAK 7. Appropriation Language for Aids to Local Agencies - 0039
- PJK 8. Social Security Number Exemption for Certain MA and BC Applicants
- PJK 9. Eliminate Physician Prescription Requirements for Mental Health/Substance Abuse Services Reimbursed under Medicaid
- RLR 10. Repeal Requirement for Second Opinion for Medicaid Surgery

Division of Disability and Elder Services

- RLR 11. s. 20.435 Department of Health and Family Services Appropriation Structure Changes
- DAK 12. Integrated Services Program - 0040
- DAK 13. System Change Grants - 0041
- DAK 14. MHI Deficit Reduction and Reporting - 0042

DAK

BB0024

2003-05 Budget Bill Statutory Language Drafting Request

- Topic: MHI Deficit
- Tracking Code: (Assigned by Government Operations Team)
- SBO team: HRT
- SBO analyst: Susan Jablonsky
 - Phone: 7-9546
 - Email: sue.jablonsky@doa.state.wi.us
- Agency acronym: DHFS
- Agency number: 435

MHI Deficit Reduction and Reporting

Current Language

s. 51.05 (3g) and (3m)

Proposed Change

1. Repeal s. 51.05(3g) to eliminate the requirement that the Department reduce the amount of the program revenue deficit at the state's Mental Health Institutes (MHIs) by \$500,000 annually.
2. Repeal s. 51.05(3m) to eliminate the requirement that the Department report annually to the Joint Committee on Finance and report quarterly to DOA concerning the implementation of the deficit reduction plan.

Effect of the Change

The Department would no longer be required to submit reports about the fiscal condition of the program revenue appropriation that partially funds the MHIs (appropriation s. 20.435(2)(gk) [229]). These provisions have become obsolete because the Mental Health Institutes are no longer in an unsupported cash deficit situation.

Rationale for the Change

The state's MHIs are funded through a combination of general purpose revenue and program revenue. The general purpose revenue supports services for forensic patients, which are individuals committed through the court. The program revenues are funds collected from medical assistance, counties and public/private insurance programs that are responsible for the costs of care of civil patients. Under state law, program revenue-funded operations must not spend more than the unexpended revenue in the appropriation, plus the value of any accounts receivable, inventories or work-in-process. If a program spends more than this amount, it is considered to be in an "unsupported cash deficit" position and must develop a plan to bring revenue and expenditures back into balance.

The program revenue operations of the state's MHIs were in an "unsupported cash deficit" situation for eight years, from FY 91 through FY 99. In 1994, the Legislature passed legislation that required the Department to raise rates and to report to the Legislature and DOA on the progress of the deficit reduction.

The deficit has been eliminated and the program revenue operations have been in a positive financial position for the past four fiscal years, beginning with FY 00 through FY 04. As a result, there is no longer a need to report to the Legislature or DOA.

The need to continue this reporting requirement is an unnecessary administrative burden. Eliminating unnecessary administrative work is consistent with past and prospective steps to streamline state government and decrease the number of state positions. Eliminating unnecessary activities enables the remaining staff to focus on high priority tasks.

Desired Effective Date:	Upon Passage of the Budget Bill
Agency:	DHFS
Agency Contact:	Donna Dunkel
Phone:	266-8156

Repeal s. 51.05 (3g) and (3m)

51.05(3g)

(3g) Expense reduction. The department shall annually reduce by \$500,000 the amount by which accumulated expenses of providing care to patients of the mental health institutes exceed the accumulated revenues from providing that care, until the accumulated revenues of the mental health institutes are in balance with the accumulated expenses of the mental health institutes.

51.05(3m)

(3m) Revenues and expenditures; reports. Notwithstanding s. 20.903 (1), the department shall implement a plan that is approved by the department of administration to assure that there are sufficient revenues, as projected by the department of health and family services, to cover anticipated expenditures under the appropriation under s. 20.435 (2) (gk) for the purpose of reimbursing the provision of care to patients of the Mendota Mental Health Institute or the Winnebago Mental Health Institute and to ensure that the department complies with sub. (3g). The department of health and family services shall make reports to the department of administration every 3 months, beginning on October 1, 1993, concerning the implementation of this plan. The department of health and family services shall make reports to the joint committee on finance by December 31 of each year that identify the change, during the preceding fiscal year, in the amount by which the accumulated expenses of providing care to patients of the mental health institutes exceed the accumulated revenues from providing that care; describe the actions taken by the department during the preceding fiscal year to reduce that amount; and describe the actions that the department is taking during the current year to reduce that amount.



SOON - In edit 9/29
State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-004277 /

DAK: n:....
jld

DOA:.....Jablonsky, BB0026 - Eliminate mental health institute deficit reduction and reporting

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

do not gen

- 1 AN ACT ...; relating to: eliminating requirements relating to reducing expenses
2 of care provided to mental health institute patients that exceed revenues
3 received for the care.

Analysis by the Legislative Reference Bureau

✓ HEALTH AND HUMAN SERVICES

✓ MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES

Under current law, ~~the Department of Health and Family Services~~ DHFS must annually reduce by \$500,000 the amount by which accumulated expenses of providing care for patients of the state mental health institutes exceed the revenues received for providing that care, until the expenses are in balance with the revenues. DHFS also must implement a plan, approved by ~~the Department of Administration~~ DOA, to assure that there are sufficient revenues to cover anticipated expenditures for providing care for mental health institute patients. Beginning October 1, 1993, DHFS must report to DOA every three months concerning implementation of this plan. Lastly, DHFS must report to ~~the joint committee on finance~~ JCF of the Legislature by December 31 annually to identify the amount of expenses that exceed revenues and describe actions of DHFS to reduce those expenses.

This bill eliminates requirements for DHFS to reduce the expenses of providing care to patients of mental health institutes that exceed revenues, to implement a

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

3 (END)



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0042/1

DAK:jld:rs

DOA:.....Jablonsky, BB0026 - Eliminate mental health institute deficit
reduction and reporting

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT** ...; **relating to:** eliminating requirements relating to reducing expenses
2 of care provided to mental health institute patients that exceed revenues
3 received for the care.

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES

MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES

Under current law, DHFS must annually reduce by \$500,000 the amount by which accumulated expenses of providing care for patients of the state mental health institutes exceed the revenues received for providing that care, until the expenses are in balance with the revenues. DHFS also must implement a plan, approved by DOA, to assure that there are sufficient revenues to cover anticipated expenditures for providing care for mental health institute patients. Beginning October 1, 1993, DHFS must report to DOA every three months concerning implementation of this plan. Lastly, DHFS must report to JCF of the legislature by December 31 annually to identify the amount of expenses that exceed revenues and describe actions of DHFS to reduce those expenses.

This bill eliminates requirements for DHFS to reduce the expenses of providing care to patients of mental health institutes that exceed revenues, to implement a DOA-approved plan to assure sufficient revenues to cover anticipated expenses, and to report to DOA and to JCF concerning the revenues and expenses.

For further information see the ***state*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 51.05 (3g) of the statutes is repealed.

2 **SECTION 2.** 51.05 (3m) of the statutes is repealed.

3 (END)